

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 78 - SB 259**

January 30, 2023

**SUMMARY OF BILL:** Requires a person who has a driver license suspended or revoked by reason of a conviction to provide proof of financial responsibility for the duration of the suspension or revocation, rather than for a period of three years, in order to avoid having registrations also suspended or revoked. Limits the requirement to pass the driver license exam in order to have a license restored to those whose license has been expired, revoked, or suspended for more than one renewal cycle. Revises and clarifies other requirements pertaining to proof of financial responsibility and license and registration suspension, revocation, and restoration.

Prohibits the Department of Safety (DOS) from issuing or reinstating a Tennessee-only driver license after December 31, 2023. Clarifies that a valid Tennessee-only driver license issued on or before December 31, 2023 remains valid until its expiration unless otherwise suspended or revoked.

Takes effect upon becoming a law for the purpose of promulgating rules. Takes effect on January 1, 2024 for all other purposes.

**FISCAL IMPACT:**

**Other Fiscal Impact – To the extent that the required modifications to the Department of Safety’s A-List system can be accomplished within available resources provided under the current vendor contract, the proposed legislation will not result in a significant increase in state expenditures. Otherwise, those modifications could result in a one-time increase in state expenditures of up to \$51,000 in FY23-24.**

Assumptions:

- The costs of maintaining and providing proof of financial responsibility are borne by private individuals. Therefore, requiring a person to maintain proof of financial responsibility for the duration of a suspension or revocation, rather than for a period of three years, will not impact the finances of DOS.
- Removing the requirement to pass the examination in order to have a license reinstated for those whose privileges have been lost for a period of time less than one renewal cycle is assumed to result in fewer people taking the driver license examination. The exact decrease in the number of examinations performed is not known and cannot be

reasonably quantified. However, there is no direct fiscal impact from fewer exams being completed, as there is no specific fee associated with the exam. It is assumed to alleviate some pressure on time and resources at some driver services centers, but the precise impact of that effect cannot be quantified and is otherwise assumed to be not significant.

- Because a Tennessee-only driver license will remain valid until its expiration, the change to a new version of license in 2024 will not impact the total number of licenses issued or the fee revenue collected in association with such.
- Based on information provided by the Department of Revenue (DOR), any changes in the process regarding registration cancellations or reinstatements can be achieved utilizing existing resources. Any fiscal impact to the DOR is estimated to be not significant.
- The proposed legislation will require some changes to the DOS's A-List software system and an interface that facilitates communication between the DOS and the DOR to be performed by the relevant vendor. It is assumed that these modifications can be accomplished by the vendor under the current contractual agreement without a need for additional expenditures; therefore, any fiscal impact to DOS is estimated to be not significant.
- However, if the scope of work required by this and other legislation subsequently enacted exhausts the relevant contract provision, the proposed legislation could result in an increase in state expenditures up to \$51,000 in FY23-24.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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